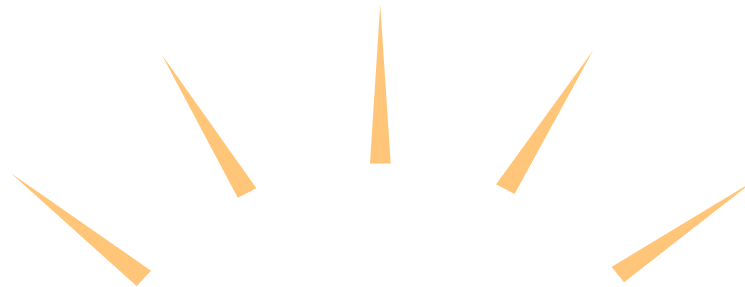




2018 Financial Review and 2019 Budget



THE CORPORATION OF THE TOWN OF KIRKLAND LAKE

Postal Bag 1757, 3 Kirkland Street, Kirkland Lake, Ontario, Canada P2N 3P4 T (705) 567-9361 F (705) 567-3535

www.discoverkl.ca

Message from Mayor and Council

We are pleased to present this financial summary of the Town's operations for 2018, as well as a summary of the 2019 budget. For taxpayers who are looking for more information, a copy of the 2018 Consolidated Financial Statements is available from the Treasury Department located at Town Hall or on our website at www.kirklandlake.ca.

This year our net operating budget is \$17,732,200 while the water and wastewater budgets are \$2,526,498 and \$1,713,105 respectively. Our total capital budget for 2019 is \$4,880,561.

Every year it is a greater challenge for our staff who face inflationary pressures with many fixed costs escalating every year while trying to still maintain the high level of services expected by our taxpayers. This has been a particularly difficult budget as we find our fixed costs climbing exponentially, leaving us little room in the budget to find savings. While the Heritage North loan has now been paid in full, we are now making payments on the Aquatic Centre loan.

We have worked diligently to increase our revenues in all departments. Decreasing our operating costs has still been our main objective. We continue to monitor waste and continue to bring more efficiencies to the way we work.

Our water and wastewater systems also require us to incur additional capital expenditures by way of some equipment upgrades and equipment replacements.

In previous years we have talked about our issue with uncollectible taxes and the problem it creates for all taxpayers. Although we are working hard on this problem, this issue is ongoing. We appreciate the effort that most taxpayers are making.

This year's operating budget will require continuous monitoring and diligence by all managers to ensure compliance in every Town department. We consider the year's capital budget to be an investment in our Town's future by continuing to maintain our community's facilities, appearance and health. Council will monitor progress throughout the year. Our goal is to stay within budget which may require adjustments in spending to avoid a year-end deficit.

This Council's strategic priorities for 2019 are to strive to:

- Put monies into reserves and reserve funds to mitigate future hits to our taxpayers
- Make long-term planning a priority for the future replacement of needed assets
- Increase fiscal responsibility to ensure controlled spending and the best value for tax dollars
- Control tax rates for residents of Kirkland Lake
- Continue our infrastructure renewal and to prioritize rehabilitation and repair of roads, pipes and buildings
- Revitalize the downtown core
- Continue to maintain and enhance public and family spaces and recreational park lands throughout Town

- Implement building development programs to continue selling new building lots and to entice new development
- Attract, retain and expand business for Kirkland Lake through our Economic Development Committee
- Improve and enhance use of social media to keep the public more informed regarding Town activities

With the 2019 budget, we will make great strides towards meeting these priorities.

We would like to take this opportunity to remind you that you can obtain more information on what Council and the Town are doing by referring to our website at www.kirklandlake.ca

Mayor: Patrick Kiely

Councillors:	Patrick Adams	Casey Owens
	Eugene Ivanov	Dennis Perrier
	Rick Owen	Stacy Wight

Every attempt has been made to ensure accuracy of the information in this brochure. In the event of any discrepancies, inquiries should be made to the Treasury Department.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31

FINANCIAL ASSETS

	2018	2017
Cash and cash equivalents	\$ 5,437,425	\$ 3,113,872
Taxes receivable	1,332,998	1,609,197
User charges receivable	175,850	188,853
Accounts receivable	1,209,022	2,779,914
TOTAL FINANCIAL ASSETS	\$ 8,155,295	\$ 7,691,836

FINANCIAL LIABILITIES

Temporary loans	\$ 1,170	\$ 10,172,744
Accounts payable and accrued liabilities	3,546,676	5,541,265
Deferred revenue	1,096,380	765,942
Accrued interest on long-term debt	145,446	164,500
Landfill closure and post-closure liability	346,744	346,744
Post-employment benefits & compensated absences	4,279,024	4,158,183
Long-term debt	18,207,202	6,582,498
TOTAL FINANCIAL LIABILITIES	27,622,642	27,731,876
NET DEBT	(19,467,347)	(20,040,040)

NON-FINANCIAL ASSETS

Tangible capital assets	120,986,726	120,221,049
Inventories	173,233	155,670
TOTAL NON-FINANCIAL ASSETS	121,159,959	120,376,719
ACCUMULATED SURPLUS	\$ 101,692,612	\$ 100,336,679

CONSOLIDATED STATEMENT OF OPERATIONS
YEARS ENDED DECEMBER 31

REVENUES

	2018	2017
Municipal taxation	\$ 10,030,129	\$ 9,456,864
Taxation from other governments	215,036	206,072
User charges	7,508,084	6,472,191
Government of Canada	1,278,139	1,041,195
Province of Ontario: Non-specific	6,226,600	6,226,600
Province of Ontario: Specific	5,009,446	5,111,481
Other municipalities	166,510	134,842
Other	1,370,013	1,159,775
TOTAL REVENUES	31,803,957	29,809,020

EXPENSES

CURRENT OPERATIONS

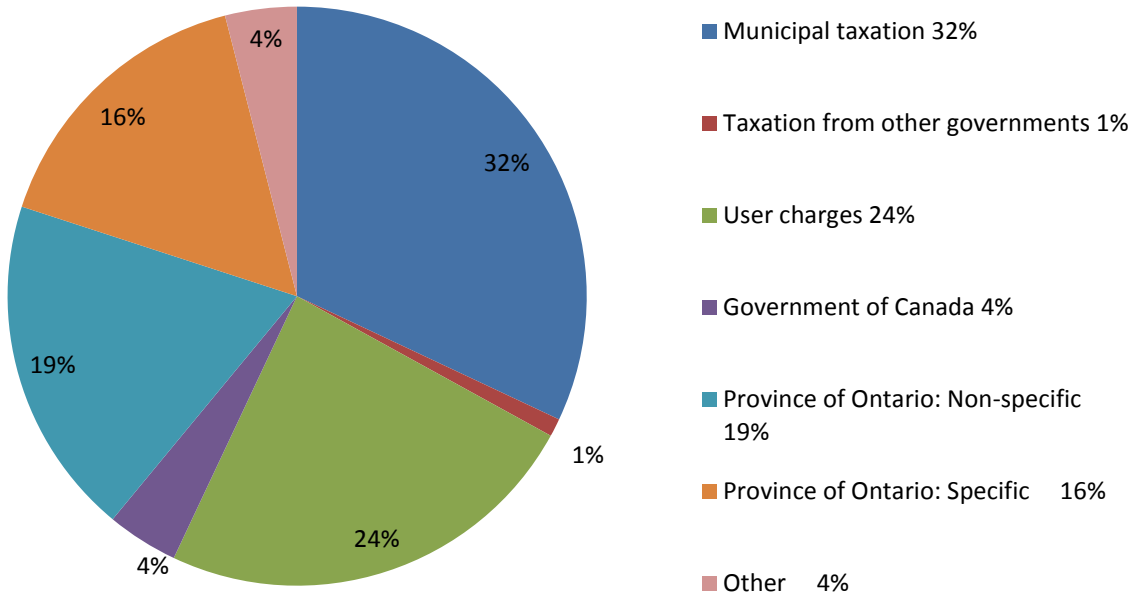
General government	2,490,687	1,893,242
Protection to persons and property	4,311,490	4,667,170
Transportation services	3,997,203	4,024,066
Environmental services	6,855,615	6,504,930
Health services	1,158,311	1,076,886
Social and family services	6,966,683	7,631,384
Social housing	498,104	486,717
Recreation and cultural services	3,667,706	3,303,624
Planning and development	502,225	998,453
TOTAL EXPENSES	30,448,024	30,586,472

ANNUAL SURPLUS (DEFICIT)	1,355,933	(777,452)
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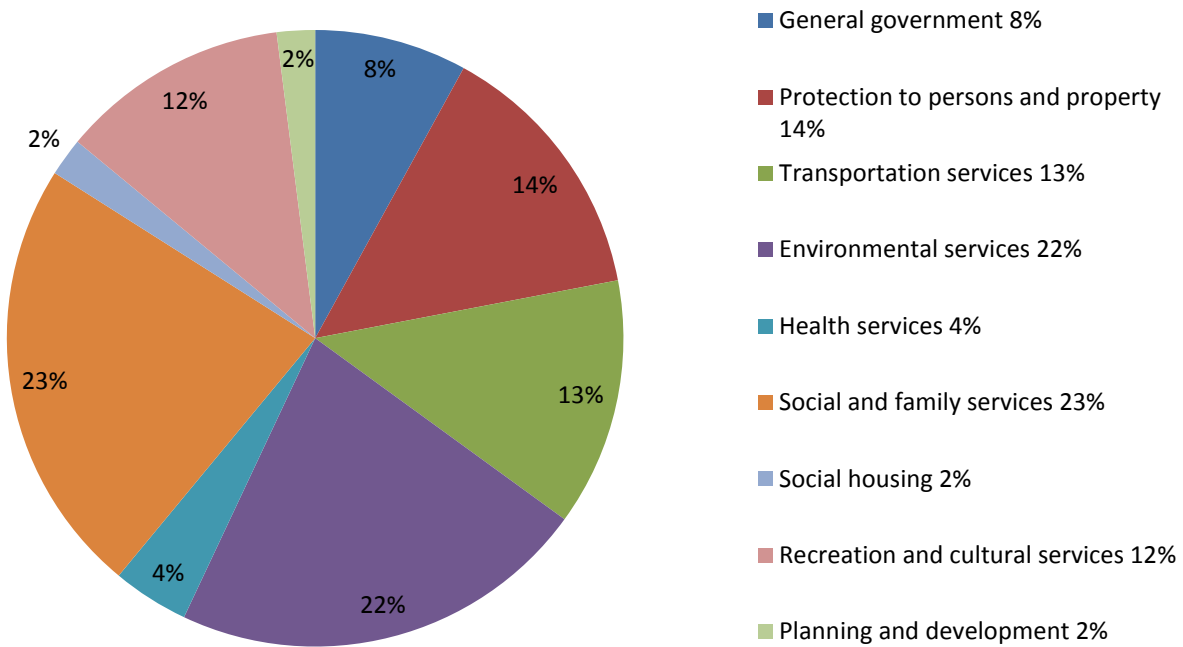
ACCUMULATED SURPLUS, beginning of year	100,336,679	101,114,131
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ACCUMULATED SURPLUS, end of year	\$ 101,692,612	\$ 100,336,679
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Municipal Revenues 2018



Municipal Operations 2018



CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS
YEARS ENDED DECEMBER 31

	2018	2017
RESERVES		
Centennial Committee	\$ 29,177	\$ 29,177
Infrastructure - capital	883,399	265,469
Kirkland District Health Centre	67,941	110,129
Other	80,475	92,475
Working capital	2,012,817	1,510,364
TOTAL RESERVES	3,073,809	2,007,614
RESERVE FUNDS SET ASIDE FOR SPECIFIC PURPOSES BY COUNCIL		
Aquatic fitness centre	-	50
Archer Drive	196,051	141,624
Employees' accumulated sick leave	76,505	89,001
Parkland	100,000	-
Residential development	6,319	6,179
Sewage treatment plant	28,162	27,612
Wastewater capital projects	423,013	-
Waterworks capital projects	48,963	214,026
TOTAL RESERVE FUNDS	879,013	478,492
TOTAL RESERVES & RESERVE FUNDS	3,952,822	2,486,106
SURPLUSES		
Invested in tangible capital assets	120,986,726	120,221,049
General Revenue Fund	10,014	10,014
UNFUNDED		
Post-employment benefits and compensated absences	(4,279,024)	(4,158,183)
Landfill closure and post-closure liability	(346,744)	(346,744)
Accrued interest on long-term debt	(145,446)	(164,500)
Long-term debt	(18,207,202)	(6,582,498)
Unfunded capital projects	(278,534)	(11,128,565)
TOTAL SURPLUSES	97,739,790	97,850,573
ACCUMULATED SURPLUS	\$ 101,692,612	\$ 100,336,679

2019 TAX RATES AND ASSESSMENT

Property Classes	Current Value Assessment	Municipal Tax Rate	Municipal Total	Education Tax Rate	Education Total
Residential	\$ 333,831,120	0.02008633	\$ 6,705,441	0.00161000	\$ 537,468
Multi-Residential	17,834,725	0.02580023	460,140	0.00161000	28,714
Commercial Occupied	52,813,086	0.04213494	2,225,275	0.01030000	543,975
Commercial Vacant	1,614,899	0.02949446	47,630	0.00875500	14,138
Industrial Occupied Low Band	11,003,924	0.02869567	315,765	0.00379226	41,730
Industrial Occupied High Band	2,331,000	0.31884082	743,217	0.04213620	98,220
Industrial Vacant Low Band	755,950	0.01865219	14,100	0.00312861	2,365
Pipelines	3,326,084	0.03986367	132,590	0.01030000	34,259
Bernhardt/Morrisette - Res	26,134,157	0.00703052	183,737	0.00161000	42,076
Bernhardt/Morrisette - Comm	2,859	0.01474723	42	0.01030000	29
TOTAL	\$ 449,647,804		\$ 10,827,937		\$ 1,342,974

CONSOLIDATED SCHEDULE OF LONG-TERM DEBT

Activities	Date of Issue	Term	Interest Rate	2018 Principal Payment	Principal Owed
Teck Pioneer Residence	15-Feb-08	20 years	4.94%	\$ 336,038	\$ 4,161,178
Aquatic Centre	21-Aug-18	20 years	3.72%	107,604	12,567,175
Heritage North	23-May-12	7 years	3.04%	367,798	156,816
Archer Drive	1-Feb-09	9 years	6.00%	(1,637)	429,754
Equipment	10-Dec-13	10 years	3.37%	46,980	260,185
Vehicles	10-Dec-13	5 years	2.44%	32,086	-
Cemetery	24-Nov-14	n/a	0.00%	2,919	76,770
LED Streetlights	29-Jun-15	7 years	2.19%	109,305	402,311
Waste Carts	9-Dec-16	5 years	2.019%	48,981	153,013
TOTAL				\$ 1,050,074	18,207,202
Interest payable over the next five years (2019-2023)					3,113,258
Interest payable subsequent to 2023					3,348,170
TOTAL					\$ 24,668,630

TOWN OF KIRKLAND LAKE

SUMMARY OF NET OPERATING BUDGETS

	2019 BUDGET	2018 BUDGET
General Government		
Mayor & Council	\$ 204,650	\$ 161,419
Administration	563,795	552,782
Treasury	782,128	974,845
Human Resources	146,504	-
Health & Safety	89,335	-
Management Information Systems	176,127	180,974
net transfer to (from) reserves	515,853	(263,159)
Sub-total	2,478,392	1,606,861
Protective Services		
Fire	1,585,822	1,505,384
Police	2,299,030	2,233,763
Protective Inspection & Control	52,905	58,465
Building Permit & Inspection Services	147,412	81,999
Sub-total	4,085,169	3,879,611
Transportation Services		
Roads	3,550,777	2,616,842
Engineering	186,841	221,450
Street Lighting	179,470	198,712
Air Transportation	154,170	75,985
Sub-total	4,071,258	3,112,989
Environmental Services		
Waste Management	906,468	1,206,323
Sub-total	906,468	1,206,323
Health Services		
Health Unit	322,523	321,959
Ambulance	669,128	633,876
Cemeteries	40,404	54,273
Sub-total	1,032,055	1,010,108
Social & Family Services		
General Assistance	322,448	368,566
TPR	784,704	855,836
Child Care	56,058	55,587
Sub-total	1,163,210	1,279,989
Social Housing	496,271	482,195
Recreation & Cultural Services		
Parks & Recreation	2,404,154	1,622,417
Library	293,595	270,283
Museum	199,996	189,843
Heritage North	339,348	573,781
transfer from reserve funds	(9,960)	-
Sub-total	3,227,133	2,656,324
Planning & Development		
Planning & Zoning	164,636	199,886
Commercial & Industrial	157,804	335,195
Residential Development	2,000	(59,250)
net transfer from reserves	(53,196)	-
transfer to reserve funds	1,000	-
Sub-total	272,244	475,831
TOTALS	\$ 17,732,200	\$ 15,710,231
TAXATION	\$ (10,827,937)	\$ (10,018,138)
SUPPLEMENTARY TAXES	(125,000)	-
PYMTS IN LIEU-estimate for '19	(199,864)	(209,949)
OMPF	(6,226,600)	(6,226,600)
MODERNIZATION - ONE-TIME	(715,910)	-
PROVINCIAL OFFENCES ACT	(100,000)	(175,000)
TAX LEVY FOR CAPITAL	463,111	919,456
	\$ (17,732,200)	\$ (15,710,231)

TOWN OF KIRKLAND LAKE
2019 CAPITAL BUDGET

	2019 EXPENSES TO BE FUNDED BY:					
	2019 Capital Budget	Government Funding	Gas Tax	Tax Levy	Reserves & Reserve Funds	Other
	\$	\$	\$	\$	\$	\$
General Government						
Main Firewall Replacement	7,500			7,500		
Active Directory Server Replacement	6,500			6,500		
Protection to Persons and Property						
Fire - Bunker Gear	30,000			30,000		
Fire Hose	10,000			10,000		
Fire - Washer	5,000			5,000		
Transportation Services						
Loader	316,957					316,957
Blower Rebuild	91,226			91,226		
Balsam Avenue Municipal Drainage Reconstruction	40,000			40,000		
Old Breaker Rebuild	12,211			12,211		
Garage Lighting	10,074			10,074		
Mechanics' Diagnostic Computer	10,715				10,715	
Parking Lot (gravel) - 22-24 Government Road West	4,000			4,000		
Airport - Freightliner Transmission Rebuild	30,000			30,000		
Airport - Replace Fuel Hoses	7,186			7,186		
Environmental Services						
Truck (4x4, 3/4 ton) Replacement	47,317					47,317
Swastika Sewer Upgrade	483,360	483,360				
Replace SCADA System (Yr 1 of 2)	101,760		101,760			
Replace 4 High Lift System Filter Valves & Post Treatment	81,408				81,408	
Replace Alum Pump for KL Raw Water Intake	20,352		20,352			
Reparging of Filters	8,141				8,141	
Rotork Actuators for High Lift System & Post Treatment	6,004				6,004	
North Clarifier Rake Gearbox & Core Base Repair	43,000				43,000	
Tertiary Filter - Filter Cloth and Valve Replacement	40,704				40,704	
Aeration Basin Transfer Pumps	10,176				10,176	
Comfort Street Pump Maintenance (x2)	10,176				10,176	
Land Acquisit. & Monitoring Wells-Attenuation Zone (Yr 1 of 2)	85,620			85,620		
Social and Family Services						
TPR - Bariatric Lift	12,970			6,970		6,000
TPR - HVAC	10,356			10,356		
TPR - Bed Replacement	6,805	6,805				
TPR - Generator Louvres & Quick Connect - ADDITIONAL	3,439			3,439		
Recreation and Cultural Services						
Ice Plant Piping	13,738			13,738		
Snowmobile (Cross Country Ski Trail)	11,200			3,000		8,200
Ice Plant Repair	9,565			9,565		
Sump Pumps - 1 new, 1 rebuild/repair	12,431			12,431		
New Community Complex LED Sign	6,325			6,325		
Library - Digital Microfilm Scanner	14,656					14,656
Museum - NAS Digital Storage Drive	9,000					9,000
Museum - Mobile Shelving	6,158	3,050		108		3,000
Heritage North - Boiler Repairs - ADDITIONAL	3,494			3,494		
PROJECTS THAT STILL REQUIRE FUNDING APPROVALS						
Transportation Services						
Connecting Link	700,000	630,000	70,000			
Main Street Paving (Poplar Ave. to Archer Dr.)	300,000	249,990	50,010			
Environmental Services						
Infrastructure Upgrades (re: KL Gold Expansion)	531,830	239,323			292,507	
Valve Chamber Rebuild at Chaput Tower Assessment	20,352	9,158			11,194	
Woods Street - Phase III	913,854	793,036	12,082	54,368	54,368	
TOTAL "NEW" 2019 Capital Projects	4,105,560	2,414,722	254,204	463,111	568,393	405,130

TOWN OF KIRKLAND LAKE
2019 CAPITAL BUDGET

	2019 EXPENSES TO BE FUNDED BY:					
	2019 Capital Budget	Government Funding	Gas Tax	Tax Levy	Reserves & Reserve Funds	Other
2018 Capital Projects - carried over to 2019						
General Government						
Renovations - Council Chambers & Public Bathroom	2,500				2,500	
Protection to Persons and Property						
Fire - Building Assessment	15,000				15,000	
Fire - Repairs to Aerial	15,000				15,000	
Fire - Exhaust System for Hall	29,380				29,380	
Fire - Building Repairs including Roof	30,000				30,000	
Fire - Rescue Truck	75,000				75,000	
Transportation Services						
Physical Services Parking Lot Repairs	6,062				6,062	
Replacement of Hydro Poles at Snow Dump	10,000				10,000	
King George Court	23,341					23,341
Accessibility Access to Physical Services	30,000				30,000	
Downtown Handrails	30,544				30,544	
Truck Replacement (Building)	34,915				34,915	
Truck Replacement (Airport)	34,931				34,931	
Sidewalks and Accessible Parking (Yr 2 of 2)	58,863	44,957			13,906	
Truck Replacement (PW x 2)	69,695				69,695	
Garage Relocation	79,287				79,287	
Environmental Services						
SCADA System Upgrades	1,953				1,953	
Replacement of 2 Rotork Valves	39,100				39,100	
Storm Water & Sanitary Sewer Tunnel	75,000				75,000	
Landfill Land Acquisition	20,000				20,000	
Social and Family Services						
TPR - Generator Louvres & Quick Connect	3,274				3,274	
Recreation and Cultural Services						
Elevator Modernization	52,885		52,885			
Museum - Sidewalks, Stairs	36,515				36,515	
Heritage North - Boiler Repairs	1,756				1,756	
TOTAL 2018 Capital Projects - carried over to 2019	775,001	44,957	52,885	-	653,818	23,341
TOTAL 2019 CAPITAL PROJECTS	4,880,561	2,459,679	307,089	463,111	1,222,211	428,471

Town Kirkland Lake Contacts

Interim Chief Administrative Officer and Director of Economic Development & Tourism	Wilfred Hass	(705) 567-9361, ext 243
Clerk	Jo Ann Ducharme	(705) 567-9361, ext 238
Fire Chief	Rob Adair	(705) 567-3400
Director of Community Services	Bonnie Sackrider	(705) 567-5215, ext 425
Teck Pioneer Residence - Administrator/Director of Care	Nancy Loach-Fougere	(705) 567-3257, ext 400
Interim Treasurer	Sheri Matthews	(705) 567-9361, ext 224
Interim Deputy Treasurer	Peter Georgeoff	(705) 567-9361, ext 223
Manager of Planning & Land Development	Ashley Bilodeau	(705) 567-9365, ext 328
Manager of Infrastructure	Don Parcher	(705) 567-9365, ext 325
Roads Foreman	Steve Ranta	(705) 567-9365, ext 330
Cemetery/Landfill Foreman	Richard Charbonneau	(705) 567-9365, ext 329
Heritage North - Interim Facility Administrator	Scott McDowell	(705) 568-4420
Museum of Northern History - Facility Administrator	Kaitlyn McKay	(705) 568-8800
Teck Centennial Library - CEO/Librarian	Cheryl Lafreniere	(705) 567-7966